## UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

In re:		Chapter 9
City of Detroit, Michigan,		Case No. 13-53846
Debtor		Hon. Steven W. Rhodes
	/	

## Order Regarding Objections to the City's Plan of Adjustment Filed on Behalf of Macomb County

On September 9, 2014, the City filed a declaration stating that it had entered into a memorandum of understanding with Wayne, Oakland and Macomb Counties and with the State of Michigan to establish a Great Lakes Water Authority. (Dkt. #7357) This memorandum of understanding was signed by Mayor Mike Duggan for the City, Emergency Manager Kevyn D. Orr for the City, County Executive Robert A. Ficano for Wayne County, County Executive L. Brooks Patterson for Oakland County, County Executive Mark A. Hackel for Macomb County, and Governor Rick Snyder for the State of Michigan.

Following that announcement, counsel for Wayne and Oakland Counties announced in open court their withdrawals of their objections to the City's plan of adjustment. The attorneys who had objected on behalf of Macomb County, however, did not withdraw their objections.

This led the Court to investigate whether the several objections that purported to be filed on behalf of Macomb County were properly authorized. Each of the papers filed purportedly on behalf of Macomb County begins:

County of Macomb, Michigan, a Michigan Constitutional corporation, by and through its County Agency, Anthony V. Marrocco, the Macomb County Public Works Commissioner ("Macomb"), and the Macomb Interceptor Drain Drainage District (the "MIDDD," and together with Macomb, the "Macomb Parties"), creditors and parties in interest in the above-captioned Chapter 9 bankruptcy case . . .

It thus appears that the Macomb County Public Works Commissioner asserts the authority to act on behalf of Macomb County in this case. The Court concludes that the Macomb County Public Works Commissioner should be required to establish this authority.

Accordingly, it is hereby ordered that the Macomb County Public Works Commissioner shall file a brief (and the City may file a brief) on (a) whether he is authorized under state or local law to prosecute objections to the City's plan of adjustment on behalf of Macomb County, and (b) if not, whether the objections that he filed on behalf of Macomb County should be stricken on that basis. The briefs shall be filed by September 12, 2014. A hearing will be held on this matter on September 15, 2014 at 1:30 p.m. in Courtroom 716, Theodore Levin U.S. Courthouse, 231 W. Lafayette Blvd., Detroit, Michigan. (Note that this schedule is different from the schedule that the Court informally gave to the parties.)

In addition to any matters that the parties choose to address, the briefs should specifically address:

- (1) M.C.L. § 123.732 and specifically subsection (2)(a), which provides, "The department of public works shall be under the general control of the county board of commissioners..."
- (2) Macomb County Charter § 6.6 and specifically § 6.6.2, which provides that county departments "are part of County government and do not exist as separate or independent entities except as provided by law."

By this order the Court does not ask the parties to brief again the issue of Macomb County's standing to object to the City's plan; the Court finds no basis to reconsider its previous decision that Macomb County does have standing to object. As noted above, the only issues raised here are whether the Macomb County Public Works Commissioner has the authority under state or local law to act for Macomb County in this case and if not, whether the objections that the Macomb County Public Works Commissioner filed should be stricken.

Also, by this order the Court does not intend to raise any issue regarding the authority of the Macomb County Public Works Commissioner to act on behalf of the Macomb Interceptor Drain Drainage District in this case.

Signed on September 10, 2014

/s/ Steven Rhodes
Steven Rhodes
United States Bankruptcy Judge